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Before the FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:)
Replacement of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems) WT Docket No. 96-18))
Implementation of Section 309(j) of the Communications Act Competitive Bidding) PP Docket No. 93-253

To: The Commission

REPLY COMMENTS OF A+ NETWORK

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Date: April 2, 1996

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SUMMARY

Of the shared frequency Comments that were filed in this rulemaking proceeding, certain issues were squarely addressed: (1) the issue of whether shared frequencies should be converted to exclusive frequencies; (2) the concept of geographic licensing for shared frequencies; and, (3) auctions for shared frequency licenses. Certain other shared frequency issues raised in the NPRM and addressed by A+ Network, received little or no attention: (4) shared frequency interference avoidance rules; (5) interference contour rules; and, (6) height/power and other technical/operational rules.

A+ Network submits that for legal and practical reasons, all commercial use shared frequencies should be converted to some form of "exclusive" use; MTA licensing plans are inappropriate for shared frequencies, but, incumbents should be able to obtain exclusive grants for whatever size systems they currently operate; auctions are inappropriate and perhaps unlawful for shared frequencies; and, upon conversion to exclusive use channels, the shared use channels should be subject to interference and other operational rules that govern paging services in the same frequency bands.

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REPLY COMMENTS OF A+ NETWORK

A+ Network, Inc., through its attorneys, and pursuant to Section 1.415 of the Commission's Rules, 47 C.F.R. § 1.415, respectfully submits these "Reply Comments" in response to the comments filed in the Commission's above-referenced Notice of Proposed Rulemaking ("Notice"). In particular, these comments address the unique concerns in this rulemaking proceeding of shared-frequency private carrier paging ("PCP") operators, such as A+ Network.¹

I. Summary of Comments

Of the scores of comments filed in this rulemaking proceeding, only a small handful focused on the particular needs and concerns of shared frequency operators. One commenter

¹ A+ Network will be submitting under separate cover Reply Comments pertaining specifically to the FCC's rulemaking proposals for 929/931 MHZ paging.

who is a Part 22 licensee, may have unintentionally spoken for shared frequency licensees when he noted that he could not afford the FCC attorneys, consulting engineers, and trade association memberships that would have helped him to "fully prepare and present comments in this matter"

That statement could easily explain the dearth of comments on shared frequency issues, in what should otherwise be considered an epochal rulemaking proceeding for the shared frequency paging industry. While there are literally hundreds of shared frequency licensees, and hundreds of thousands of their customers, operating throughout this Nation, their individual resources are less than most of the paging companies represented in this proceeding, and their particular needs have not been robustly debated in this proceeding. A+ Network, as perhaps the nation's largest representative of a network of small shared frequency operators, speaks with some authority concerning the particular needs and interests of these smaller operators. Nevertheless, it would not be fair for the FCC to assume that the silence of many shared frequency licensees, reflects indifference toward the agency's proposals.

Of the shared frequency comments that were filed, certain issues were squarely addressed: (1) the issue of whether shared frequencies should be converted to exclusive frequencies; (2) the concept of geographic licensing for shared frequencies; and, (3) auctions for shared frequency licenses. Certain other shared frequency issues raised in the NPRM and addressed by A+ Network, received little or no attention: (4) shared frequency interference avoidance rules; (5) interference contour rules; and, (6) height/power and other technical/operational rules. A+ Network will briefly address these issues in these Reply

² See Comments of SMR Systems, Inc. at p.1.

Comments.

II. Conversion to Exclusive Channels.

The Comments were fairly evenly mixed on the question of whether to convert shared frequency PCPs to "exclusive" use frequencies. Perhaps surprisingly, this question did not create a "large" carrier vs. "small" carrier schism. Some large and small carriers favored converting shared channels to exclusive channels; see, e.g., Comments of AirTouch Paging; TeleBEEPER of New Mexico, Inc.; and A+ Network; on the other hand, some fairly large carriers were opposed to granting exclusivity for shared frequencies. See Comments of TeleTouch Licenses, Inc. PCIA and another large carrier straddled the fence, and expressed qualified support for shared frequency exclusivity under certain conditions. See Comments of PCIA, ProNet.

A+ Network sees nothing in the comments to sway it from its original position on exclusivity. For very practical and legal reasons, A+ Network submits that the FCC has no choice but to convert the commercial shared use PCP channels into exclusive use channels. Though A+ Network is certainly mindful of the problems attendant to converting multiple-licensed shared frequencies into exclusive frequencies, the opponents of exclusivity have not suggested any reasonable alternatives.

First of all, as a practical matter, incumbent licensees should be deeply concerned that if the FCC does nothing for the time being with shared frequencies, while it maintains a "freeze" and then ultimately adopts auctions for exclusive paging channels, there will literally be a stampede of applications on these shared frequencies for reasons that should be obvious.

Speculators and even legitimate operators who can't afford or don't want to bid for MTA

licenses, will flood PCIA and the FCC with shared frequency applications. Even if only a small percentage of these applicants ultimately build stations, incumbent licensees will still have to deal with these additional applications, and the interference problems they will create. So, as a practical matter, there does not appear to be any way to retain the *status quo ante* for shared frequencies, the FCC's paging auction proposal has already irrevocably altered the *status quo*.

The FCC will be doing a grave injustice to incumbent shared frequency operators and their hundreds of thousands of customers (many of whom are hospitals and law enforcement agencies) if it does nothing to protect incumbent licensees, while simultaneously raising entry barriers on the "exclusive use" channels. That is why A+ Network must respectfully disagree with PCIA's suggestion that the FCC put shared frequency issues "aside" for the moment, to take these issues up at a later date. See Comments of PCIA at pp. 16-17. If the FCC does that, without first adopting safeguards against speculative filings and shared frequency interference, it will cause irreparable harm to shared frequency incumbent licensees and their customers.

In addition to these practical concerns, there are very legitimate legal reasons why the FCC should immediately adopt some form of exclusivity for commercial shared frequency licensees. Opponents of this proposal fail to acknowledge that Congress has, like or not, converted what were once private radio licensees into Title II Common Carriers. With the implementation of Sections 3(n) and 332 of the Communications Act in the CMRS Second Report and Order, 9 FCC Rcd 1411 (1994), PCP and RCC paging services have been reclassified as commercial mobile radio services (CMRS). Shared frequency PCPs now have most of the burdens of Title II Common Carriers (formal complaint procedures, anti-discrimination requirements, alien ownership restrictions, etc.), but none of the benefits; in particular, they do

not have "clear" carrier channels. It is only fair, and arguably mandated by Congress, that the FCC rectify this regulatory imbalance, and provide shared frequency operators with some of the benefits attendant to common carrier status.

Granted, shared frequency "exclusivity" will never be the same as "Part 22" exclusivity; and no one is suggesting that the FCC relocate any incumbent licensees off these shared channels. Nevertheless, A+ Network fails to comprehend why any incumbent licensee would object to a proposal whereby the FCC would simply stop granting additional licenses on these already crowded shared frequencies, at least not without the consent of the incumbent licensees.

A+ Network's Comments promoted two plans for obtaining exclusivity (the PCIA "earned exclusivity" proposal, and, the "FCC private radio refarming" proposal); either one should meet the needs of virtually all incumbent shared frequency licensees. These plans will reduce the likelihood of interference on these channels; while enabling incumbent licensees to expand into adjacent service areas. New licenses could be granted in accordance with either set of exclusivity rules.

One commenter has suggested that the frequency coordination process has sufficed to resolve shared frequency congestion issues;³ but, that is not the case. PCIA's coordination recommendations are advisory only, and an applicant can always file directly with the FCC.

See, e.g., TeleTech, 4 FCC Rcd. 4058, 4059 (Priv.Rad. Bur. 1989). The FCC has on many occasions ignored PCIA recommendations, and coordinated applications despite incumbent protests that a particular shared channel was overcrowded with paging traffic; A+ Network knows this from experience.

³ ProNet Comments at p. 5.

With 929/931 MHZ paging auctions on the horizon, the frequency coordinator's job will only become more difficult, as greater numbers of applicants apply for a smaller, fixed number of shared frequencies. It is simply not realistic to think that the frequency coordination process will suffice to protect A+ Network and all incumbent shared frequency licensees against the resultant interference that these new operations may cause. Absent some form of exclusivity, interference problems will escalate, customer pages won't go through, and customers will flee these shared frequency services for the "exclusive" channel carriers.

For these reasons, A+ Network submits that the FCC has no choice but to adopt some form of exclusivity for these shared use commercial channels. Also, it is imperative that the FCC keep these proposed shared frequency rule changes on the same track as exclusive channel auction proposals; otherwise, there will be a run on the shared channel frequencies, and irreparable damage will be caused to incumbent licensees.

III. Geographic Licenses for Shared Frequencies

Only one commenter promoted the idea of geographic licensing for shared frequency licensees; unfortunately, that party did not explain how such a proposal would work. See Comments of AirTouch Paging.

A+ Network would certainly benefit from such a proposal, for the same reasons suggested in AirTouch's comments: A+ Network's nationwide 152.480 system covers many MTA-size service areas. Unfortunately, as PCIA has apparently conceded, the problems of overlaying an MTA license on top of hundreds if not thousands of previously negotiated shared-use arrangements, seem entirely insurmountable. It doesn't seem to make any practical sense to hold auctions for the right to build an MTA system around these incumbent arrangements. Also,

it also doesn't seem fair, or consistent with the FCC's limited statutory authority, to require anyone to have to bid at auction for the dubious right to operate a shared frequency MTA license.

A+ Network's alternative proposal, presented in its Comments, strikes a reasonable balance between the needs of incumbent licensees, and the limits of the FCC's auction authority. A+ Network proposed that the PCP rules be rewritten to allow shared frequency licensees to qualify for exclusivity (under either of the two aforementioned plans) wherever their qualified systems happen to be built (in AirTouch's case, it could well be that it would qualify for an exclusive license the size of an MTA; smaller carriers would be entitled to qualify for smaller, exclusive area licenses). Incumbent licensees would be given a limited amount of time to notify the FCC of exclusivity requests, under either the PCIA "transmitter counting" plan, or, the "negotiated exclusivity" plan that is akin to the FCC's refarming proposal.

Once a PCP system has earned an exclusivity designation, the licensee should be free to make any modifications within the contours of that system, including addition or deletion of transmitter sites, without filing anything at the FCC. Expansions outside that qualified "wide area" system, would be granted subject to any exclusive licenses in the adjacent service areas. Applications for unserved areas would continue to be processed by PCIA on a first come, first served basis; hence, "MX" situations should be rare. In the event of MX applications, both applications could be granted, conditioned on time-sharing and mutual interference-avoidance obligations.

IV. Auctions.

With the possible exception of one carrier, no one seems to be in favor of auctions for

shared frequency PCP licenses. Because these shared frequencies will never truly be "exclusive", it does not seem likely that the FCC has statutory authority to grant these licenses by auction. See 47 U.S.C. §309(j). Moreover, in light of all the expense and effort involved in running a shared frequency commercial paging business, it simply wouldn't be fair to also require these licensees to "bid" for these licenses. These concerns are underscored by other commenters who noted that the many hospitals and law enforcement agencies that use these channels, will be constrained from expanding their paging systems if auctions are adopted for these frequencies.

There should be no regulatory concerns about having auctions only for exclusive use channels, and not shared use channels, because there are substantial technical and operational differences between the services. Arguably, the FCC has some limited statutory authority to grant exclusive license rights for definite time periods by competitive bidding. A shared channel license, on the other hand, does not convey such exclusive rights. Even with the conversion of shared channels to "exclusive" channels, the license holder will have to continue sharing the channel with incumbent licensees. In essence, shared channel "exclusivity" rules would be akin to interference minimization rules. Since shared and exclusive paging channels are obviously different from each other in practical and regulatory terms, there should be no legal impediments to regulating them under different licensing schemes.

V. Interference Avoidance Rules.

A+ Network did not see any comments filed on the crucial question of what rules will be

⁴ AirTouch favors MTA licensing for shared frequencies, but, it did not clearly state whether it favored employing auctions to grant those licenses.

adopted to protect shared channel licensees from harmful interference. A+ Network must repeat its strong admonition that this issue be addressed <u>before</u> the FCC allows any more stations to be built on these crowded frequencies. The industry needs objective standards and guidelines for avoiding shared channel interference (such as PCIA's terminal interconnection proposal); and, the industry needs formal procedures and forums for quickly resolving interference problems.

Beginning in August of 1996, all CMRS operators will be subject to formal Title II complaint procedures; for now, that would be the only formal means under the Act and the FCC's Rules to bring an intentional interference complaint to the FCC's attention (currently, these interference issues are handled as "informal complaints" or "informal actions"). It cannot be imagined that this agency would welcome the chance to resolve these electrical interference matters through its formal complaint processes. Nevertheless, this is a fundamental issue that should not be put off to another rulemaking proceeding; these interference problems will escalate the moment the FCC lifts the freeze.

A+ Network suggests that the FCC already has arbitration and enforcement resources at its disposal to handle interference problems; what the industry lacks is any evidence that this agency is seriously predisposed to using those resources to resolve interference problems as they occur. A+ Network's unfortunate experience with interference issues has been that they are resolved only through "self help", and only after unnecessary delays and expense. This is one area of regulatory inequity between exclusive and shared channel operators, that begs to be remedied. In this rulemaking proceeding, the FCC should adopt formal rules and procedures for resolving shared frequency interference problems.

VI. Interference Contours/Operational Rules.

A+ Network was one of the few parties to comment on the FCC's proposed interference contour and general operational rules for shared frequency services. To the extent that these channels are converted to some form of exclusivity, obviously the FCC will have to define the limits of protected service areas and interference contours. A+ Network has stated that the FCC should, to the extent practical, aim for operational symmetry between paging channels that are located in the same bands of the radio spectrum.

CONCLUSION

FOR ALL THESE REASONS, and for reasons set forth in its previously filed Comments, A+ Network respectfully requests that the Commission modify its tentative conclusions, and adopt rules for shared frequency paging operations consistent with A+ Network's recommendations.

Respectfully submitted,

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